

Kentucky Strategic Plan for Economic Development

# 1998 Annual Report



# Kentucky Economic Development Partnership Members

The Honorable Paul E. Patton, Chairman  
**Governor**  
Commonwealth of Kentucky

Luther Deaton, Jr., Vice Chairman  
**President and CEO**  
Central Bank & Trust Company

Secretary James E. Bickford  
Natural Resources and  
Environmental Protection Cabinet

Darrell R. Gilliam  
**Executive Director**  
Capital Community Economic/Industrial  
Development Authority

William J. Jones  
**President and CEO**  
CBT Corporation

Secretary Ann R. Latta  
Tourism Development Cabinet

Secretary John P. McCarty  
Finance and Administration Cabinet

Katherine G. Peden

**President**  
Peden and Associates Inc.

Richard E. Searles  
**Vice President-Administration**  
Clarion Manufacturing Corporation  
of America

William R. Sprague

Secretary Marvin E. Strong, Jr.  
Cabinet for Economic Development

Ernest R. Thompson  
**Director**  
United Steel Workers of America

Jean Wells  
**Vice-President**  
Wells Health Systems

# The places we will go

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### Note From the Secretary

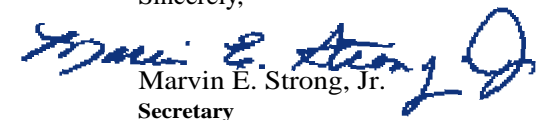
With 587 companies creating 25,157 net new jobs, 1998 was a record year! This 28.9% gain over 1997 is the highest number of jobs created since the Kentucky Cabinet for Economic Development (KCED) has tracked new jobs resulting from new and expanding business and industry. Capital investment, at \$2.9 billion, demonstrates the confidence business has in the Commonwealth.

The Kentucky Strategic Plan for Economic Development solidly guides the Cabinet's efforts throughout the Commonwealth. In fact, several legislative initiatives are a direct result of Strategic Plan tactics and tactic team members. Notably, House Bill 206 created the Kentucky Investment Fund Act, which makes venture capital funds available to Kentucky-based small businesses. Existing Kentucky companies that invest in their most valuable asset, their workforce, can receive benefits from House Bill 280 - the Skills Training Investment Credit Act.

Another major undertaking, implementation of a fully automated Geographic Information System (GIS), directly results from the Strategic Plan. GIS incorporates information from many databases - and gives companies what they need when they need it.

As always, support from the private sector, local governments, economic development organizations, other state agencies and many more makes implementation of the Strategic Plan an easier reality. Accomplishments over the last four years could not, nor would not, have succeeded without the involvement of Kentucky business and industry. On behalf of the Kentucky Cabinet for Economic Development, I am extremely proud of the efforts so many Kentuckians made to make 1998 a most successful year of growth and opportunity.

Sincerely,

  
Marvin E. Strong, Jr.  
Secretary

# Overview of the economy

The U.S. economy is in the midst of the longest peacetime expansion in history. Inflation has remained low and finished the year at around 1.6%. Inflation is expected to average only 2.5% over the next ten years. Real gross domestic product finished the year 3.9% above the 1997 level. Slower growth is expected in 1999.

Kentucky has continued to benefit from the national expansion. Fifty-one of Kentucky's 120 counties (43%) finished the year with unemployment rates below the U.S. level of 4.5%. Kentucky's total employment was 1.9% higher in 1998. The fastest growing job

creators were transportation and public utilities, construction, and services. The Center for Business and Economic Research at the University of Kentucky has issued a moderate forecast for the next few years. From 1999 to 2001, employment is expected to grow by 1.6% per year, above the U.S. forecast of 1.5% per year.

The growth occurring in the Kentucky economy can be appreciated further by comparing the current economic environment of the state with a decade ago.<sup>1</sup> In 1987,

Kentucky ranked 43rd in per capita personal income compared to 41st in 1997. Kentucky's per capita income narrowed from 22.0% below the nation in 1987 to 18.5% below the nation in 1997. Over the ten-year period, the average annual increase of total personal income was the same in Kentucky and the nation (5.8%). Employment in the state increased 2.1% per year, while national average annual employment growth was only 1.8% from 1987 to 1997.

## Comparison Between Kentucky and the United States

	1987	1997	Annual % Growth (1987-1997)
<b>KENTUCKY</b>			
<b>Total Personal Income (\$MM)</b>	45,825	80,503	5.80
<b>Population (000s)</b>	3,683	3,908	0.60
<b>Per Capita Personal Income (\$)</b>	12,441	20,599	5.20
<b>Earnings (\$MM)</b>	30,781	52,012	5.40
<b>Employment (000s)</b>	1,774	2,189	2.10
<b>UNITED STATES</b>			
<b>Total Personal Income (\$MM)</b>	3,863,177	6,770,709	5.80
<b>Population (000s)</b>	242,289	267,636	1.00
<b>Per Capita Personal Income (\$)</b>	15,945	25,298	4.70
<b>Earnings (\$MM)</b>	2,624,893	4,494,537	5.50
<b>Employment (000s)</b>	130,371	156,400	1.80

Note: Total personal income is a residence based measure, while earnings is an establishment based measure. Earnings include wages and salaries, while total personal income includes earnings plus dividends, rent, interest, and transfer payments.

Source: Bureau of Economic Analysis. Regional Economic Information System CD-ROM, 1997.

<sup>1</sup> Since 1997 is the most recent year of complete data, the comparison will be made between 1997 and 1987.



# How it all works

## Kentucky Strategic Plan for Economic Development

In 1992 the Kentucky General Assembly enacted KRS 154.10-120 mandating preparation of a state strategic plan for economic development. The Kentucky Economic Development Partnership adopted the Kentucky Strategic Plan for Economic Development in May 1994. The Plan was developed to generate a dynamic course of action to foster and focus Kentucky's economic development efforts.

The Partnership is composed of 13 members. Eight private sector members represent each of the state's congressional districts and various sectors of the state's economy. The secretaries of four Cabinets—Economic Development, Finance and Administration, Natural Resources

and Environmental Protection, and Tourism Development—serve as public sector, ex officio members. The secretaries of Economic Development and Tourism are non-voting members. The Governor serves as chairman of the Partnership.

From the start of the strategic planning process in 1994, the Partnership has sought broad-based input and participation of public and private individuals and organizations. Other agencies of state government are active with various tactics of the Plan as well. Public/private sector cooperation remains a driving force in realizing a common mission for improving Kentucky's economy.

## Values and Mission Statement

Five overriding values and a mission statement govern the operation of the Cabinet and Strategic Plan. The values are:

**Openness and honesty**

**Respect for people as individuals**

**Being results oriented**

**Innovation and risk**

**A commitment to being the best**

The mission statement adopted by the Partnership as part of the Strategic Plan is:

**To create more and higher quality opportunities for all Kentuckians by building an expanding sustainable economy.**

## Framework for KCED's Efforts

The Kentucky Strategic Plan for Economic Development provides a framework for "creating more and higher quality opportunities for all Kentuckians." The Strategic Plan is organized under five major goals, which are subdivided into strategies, which in turn are subdivided into tactics. Completion of 31 tactics has been accomplished through the work of Kentuckians representing each geographic area of our diverse state, including seven completed in 1998.

There are currently 62 tactics in the Plan, although many of these have completed their tasks and are considered finished. Tactic teams are composed of members from the pub-

lic and private sectors, with a team leader from the private sector, and a facilitator from the Cabinet assisting the team in its work. (See page 17 for a complete listing of tactic team progress reports.)

## Five Major Goals

### Goal 1

Build and maintain consensus to implement the mission

### Goal 2

Reduce unemployment and increase per capita income

### Goal 3

Create a globally competitive business environment

### Goal 4

Manage resources to maximize return on investment

### Goal 5

Manage Kentucky's natural resources and cultural assets to ensure long-term productivity and quality of life



# Measuring our progress

KRS 154.10-140 states that the Kentucky Economic Development Partnership is to “establish objective benchmarks to measure the performance of Kentucky's economy and progress toward achievement of the mission statement, goals, and guiding principles (from the Kentucky Strategic Plan for Economic Development).”

Benchmarking, for purposes of meeting statutory requirements, is defined as the “public announcement of measurable indicators to mark the achievement of strategic plan goals.” In effect, the benchmarks are the performance indicators for strategic plan goals. The benchmarks should provide information on whether Kentucky's economy is keeping pace or falling behind compared to our competitor states and the nation.

The Partnership chose six benchmarks in 1997. They are: per capita gross state product; per capita income; annual pay per employee; manufacturing share of private, non-farm employment; unemployment rate; and poverty rate. The benchmarks are presented relative to the U.S. average. Also, three sub-state regions of Kentucky are identified and provided with benchmark goals.

Given current trends, Kentucky is in line to reach the gross state product benchmark goal for 2000. The gap between Kentucky and the U.S. per capita income continues

to shrink, but progress remains to be made to close the gap in terms of annual pay per employee. The state has already reached the 2000 benchmark goal for manufacturing share of private, non-farm employment. Unemployment in Kentucky rose relative to the nation in 1996 and 1997, but 1998 saw the state unemployment rate once again dip below the national average. Lastly, the percent of population in poverty, relative to the nation, has declined, and the state is in line to meet the year 2000 benchmark goal for poverty rate.

## Where We Are and Where We've Been

BENCHMARK	Kentucky as a percent of the U.S. average			
	Current	Baseline (1994)	2000 Benchmark Goal	
Gross State Product Per Capita	1996	88.1	87.2	89.0
Per Capita Income	1997	81.4	81.3	84.0
Annual Pay Per Employee	1997	84.0	84.4	87.0
Manufacturing Share	1997	126.4	122.6	126.0
Unemployment Rate*	1998**	-5.1	-5.7	-16.0
Poverty Rate*	1995	29.7	30.5***	29.0***

\* - Expressed as a percent above(+) or below(-) the U.S. average.

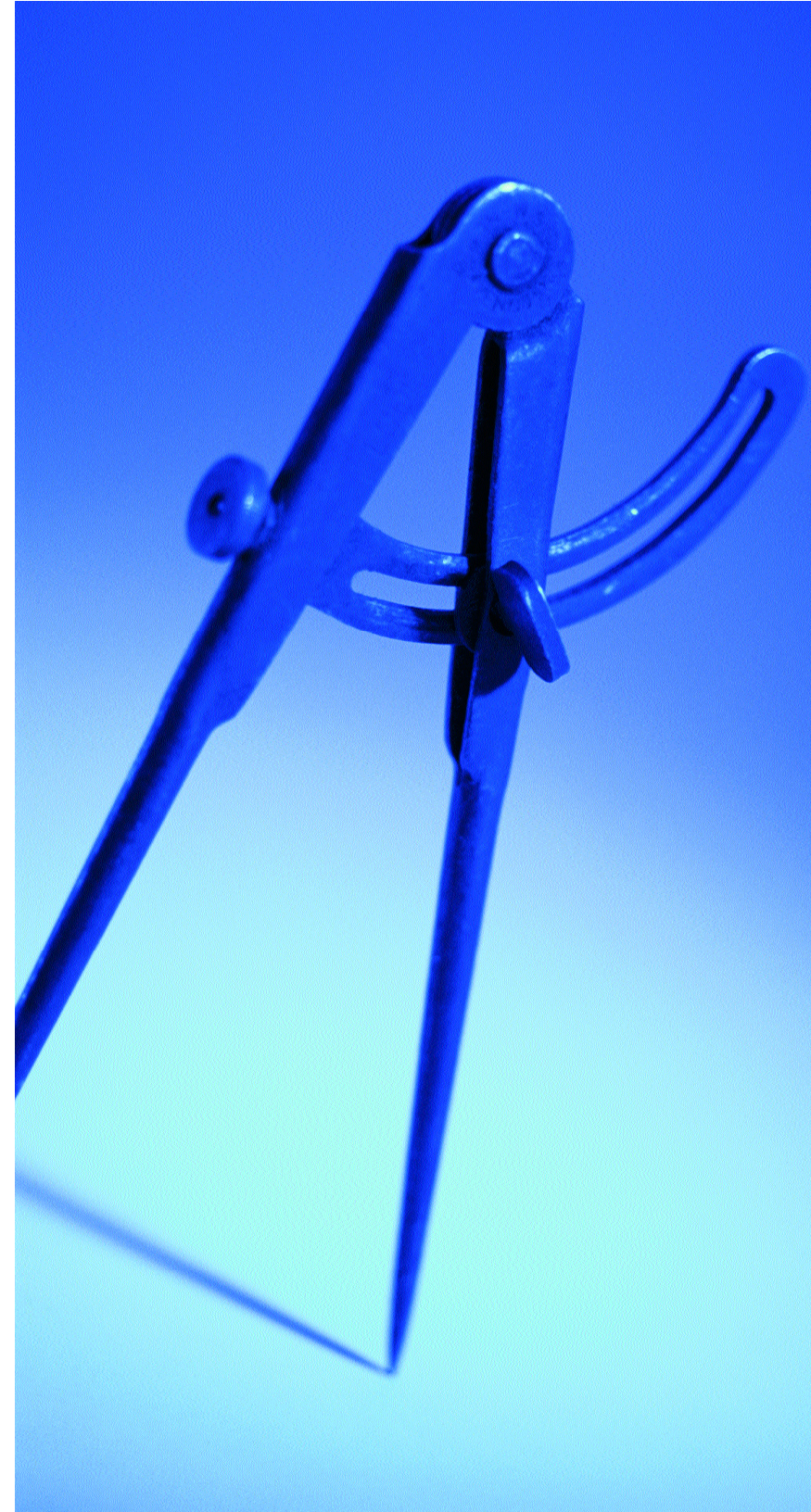
\*\* - Preliminary annual average.

\*\*\* - 1993 was used as the baseline, and 1999 was used as the first benchmark year for poverty rate.

## Current Levels

BENCHMARK	Year	U.S.	Kentucky	Competitor States
Gross State Product Per Capita	1996	\$26,110	\$22,992	\$25,186
Per Capita Income	1997	\$25,298	\$20,599	\$23,882
Annual Pay Per Employee	1997	\$29,809	\$25,028	\$28,300
Manufacturing Share	1997	14.7%	18.6%	18.8%
Unemployment Rate	1998*	4.5%	4.3%	4.0%
Poverty Rate	1995	13.8%	17.9%	13.4%

\* - Preliminary annual average.



# Completed tactics

The following tactics from the revised 1997 Kentucky Strategic Plan for Economic Development accomplished their objective and are considered completed, even though implementation continues for many of the tactics:

## 2.1.2

*Increase access to industry specific worker training and skills upgrade*

The 1998 General Assembly passed the Skills Training Investment Credit Act to provide tax credits to existing businesses for skills upgrade training.

## 2.2.1

*Fund and implement the Commonwealth Venture Fund*

The 1998 General Assembly passed the Kentucky Investment Fund Act, which certifies venture capital funds for investor tax credits.

## 2.3.2

*Identify industry sectors which are appropriate for networks and establish networks*

Four major network initiatives are underway including the Kentucky Auto/Truck Industry Council, the Kentucky Wood Alliance, the United Sourcing Alliance LCC, and the Advanced Alliance Assistance.

## 4.3.2

*Assure that available information on each community is up-to-date and reliable, resulting in a strengthening of the relationship between the Cabinet and communities*

Local economic development professionals were surveyed and their ideas incorporated into the community brochure publications, including a new definition for labor market areas.

## 5.1.2

*Support the efforts of the Kentucky Forest*

## *Stewardship Act*

The 1998 General Assembly passed the Kentucky Forest Conservation Act, which establishes the best management practices in logging operations.

## 5.2.4

*Evaluate and recommend financial assistance programs for agricultural producers*

The 1998 General Assembly approved changes to the linked deposit loan program, raising the maximum loan amount to \$100,000.

## 5.4.3

*Develop and implement regional tourism development plans*

Tourism development plans for nine regions covering the state were completed.

The following points highlight the 1998 accomplishments of

# 1998 accomplishments

## Kentucky's economic development efforts:

For calendar year 1998, some 25,157 net new jobs were announced for Kentucky, with an investment of over \$2.9 billion. The total net new jobs announced in 1998 represents an all time high for Kentucky.

A record number of jobs were created through expansion, totaling 18,345 jobs for 1998. Major expansions include UPS (6,000 jobs), DHL (700 jobs), and Comair (900 jobs). The UPS investment of \$860,000,000 represents its largest capital investment project to date.

New manufacturing companies locating in Kentucky for 1998 totaled 62, with 4,430 new jobs created and \$384.7 million of total investment. New service/supporting companies locating in Kentucky for 1998 totaled 32, with 6,952 new jobs announced and \$385.1 million of total investment.

## New Locations Worth Noting Include:

GE Capital Information Technology Solutions (GECITS)

This \$33 million investment and 975 new jobs is significant for Kentucky. GECITS will consolidate its headquarters in Northern Kentucky as well as build a facility to house a high-tech call center/tech support operation and computer configuration facility. An extremely important part of the total state package is a partnership between Northern Kentucky University and the Kentucky Community and Technical College System (KCTCS). Specific training courses will be developed and administered either on campus or through the Commonwealth Virtual University. A-Carb LLC

This is the most recent French company to announce a location in Kentucky. A-Carb will invest approximately \$31,450,000 and



# 1998 accomplishments continued

employ 60-100 people making aircraft components.

## Carhartt Inc.

Carhartt committed to investing approximately \$26,564,500 and employs 472 people in Hopkins County.

## Richmond Auto Parts Technology (RAPT)

RAPT announced plans to build a manufacturing facility in Richmond. Investment will be \$46,000,000, and employment is expected to be 120.

## Stupp Brothers Bridge & Iron Co.

This family-owned company from St. Louis announced plans to invest \$40,000,000 and employ 160 people in Bowling Green.

## Gibson Greetings, Inc.

Covington is the new headquarters for Gibson Greetings. Investment is estimated at \$38,500,000 with an employment of 357.

## More Accomplishments

Cabinet legislation passed during the 1998 General Assembly includes: HB 206- Kentucky Investment Fund Act for venture capital formation, HB 280- Skills Training Investment Credit Act for tax credit cost recover for existing businesses investing in occupational and skills upgrade training; HB 199- Property Tax on Leased Machinery, which provides for the same favorable rate on leased machinery as for owned machinery; and HB 444- Kentucky Aviation Economic Development Fund, which provides sales tax credits to air carriers and establishes a fund for publicly owned or operated aviation facilities.

From 1996 to 1998, Site Selection magazine ranked Kentucky third with new jobs, fourth among the states with new facilities and expansions, and ninth in investment per one million population.

The Cabinet published the "Business Start Up Guide," partnered with Empower Kentucky and the Secretary of State for streamlining the permitting process, organized a session for Kentucky businesses on contracting with the new federal prison in Martin County, created a model program for establishing business networks, and initiated a micro enterprise loan program in counties hit by massive layoffs in the garment industry.

The Office of Coal County Development was established to administer the Local Government Economic Development Program. The Office awards grants to eligible counties to diversify their economies by developing Regional Industrial Parks (RIP) for new and expanded industry. Three RIPs were funded in 1998: MMRC Regional Industrial Park (Morgan, Menifee, Rowan and Carter), West Kentucky Regional Industrial Park (Henderson, McLean, Union and Webster), and Coal Field Regional Industrial Park (Perry, Leslie, Harlan and Breathitt). Two other RIPs were approved for preliminary

engineering work in 1998; Honey Branch Regional Industrial Park (Floyd, Martin, Johnson and Pike), and Northeast Industrial Park (Boyd, Carter, Elliott, Greenup and Lawrence).

The Cabinet led a trade mission to Mexico and organized the Governor's trade mission to Europe. Kentucky's exports rose 23.3% from 1996 to 1997 compared to a rise nationally of only 10.4%, the 7th fastest growth rate among the 50 states. Kentucky's 1997 total export value of \$8.7 billion ranks the state 22nd in value of exports.

The Cabinet is quickly establishing and implementing a Geographic Information System (GIS). GIS incorporates site data, maps, photos, demographics and more in a central database, allowing the Cabinet to meet client's informational needs almost immediately.

The continued success and implementation of the Strategic Plan, along with the successful recruitment

and expansion of major employers to the state, and the establishment of new programs this past year, clearly show Kentucky is making progress with its economic development efforts.



# Major expansions 1998

## United Parcel Service

announced they would build a new \$860 million automated sorting hub in Kentucky. The new facility, at the Louisville International Airport, will result in as many as 6,000 new full and part-time jobs. "Hub 2000," as the new facility is called, is the largest construction project ever for UPS, doubling the company's current capacity in Louisville.

## DHL Airways, Inc.

announced its decision to locate a new \$170 million airline hub and sort facility at the Cincinnati/ Northern Kentucky International Airport. DHL currently employs 1,100 people at the existing facility and estimates that more than 700 new jobs will be created over the next ten years. Design of the new facility is currently underway, with completion targeted for the fall of 2001.

## Hayes Lemmerz International

announced its decision to make a major expansion of its Bowling Green facilities and to hire an additional 200 people. Hayes Lemmerz International is the world's leading supplier of wheels and brake components to the transportation industry. The company broke ground for a 133,000 square foot expansion, which will nearly double the size of its current facility. The additional space will be used to store raw materials and finished goods.

## COMAIR, Inc.

announced a major expansion of its headquarter facilities at the Cincinnati/Northern Kentucky International Airport. The expansion could create up to 900 new jobs over the next ten years. COMAIR's \$25 million expansion project will accommodate its growing fleet of regional jets and the support facilities to maintain the fleet. The expansion includes maintenance and training facilities as well as office space near COMAIR's headquarters.

### Jobs Created In Kentucky 1982 - 1998

Year	Total Jobs Created	Net Jobs Created
1982	11,599	5,460
1983	11,370	4,960
1984	22,009	18,191
1985	23,348	19,398
1986	21,177	17,142
1987	26,314	23,050
1988	23,706	19,250
1989	17,131	13,651
1990	21,161	17,263
1991	8,058	3,974
1992	18,705	14,522
1993	17,422	13,931
1994	26,329	23,917
1995	21,628	17,906
1996	21,704	18,098
1997	21,145	17,322
1998	29,727	25,157



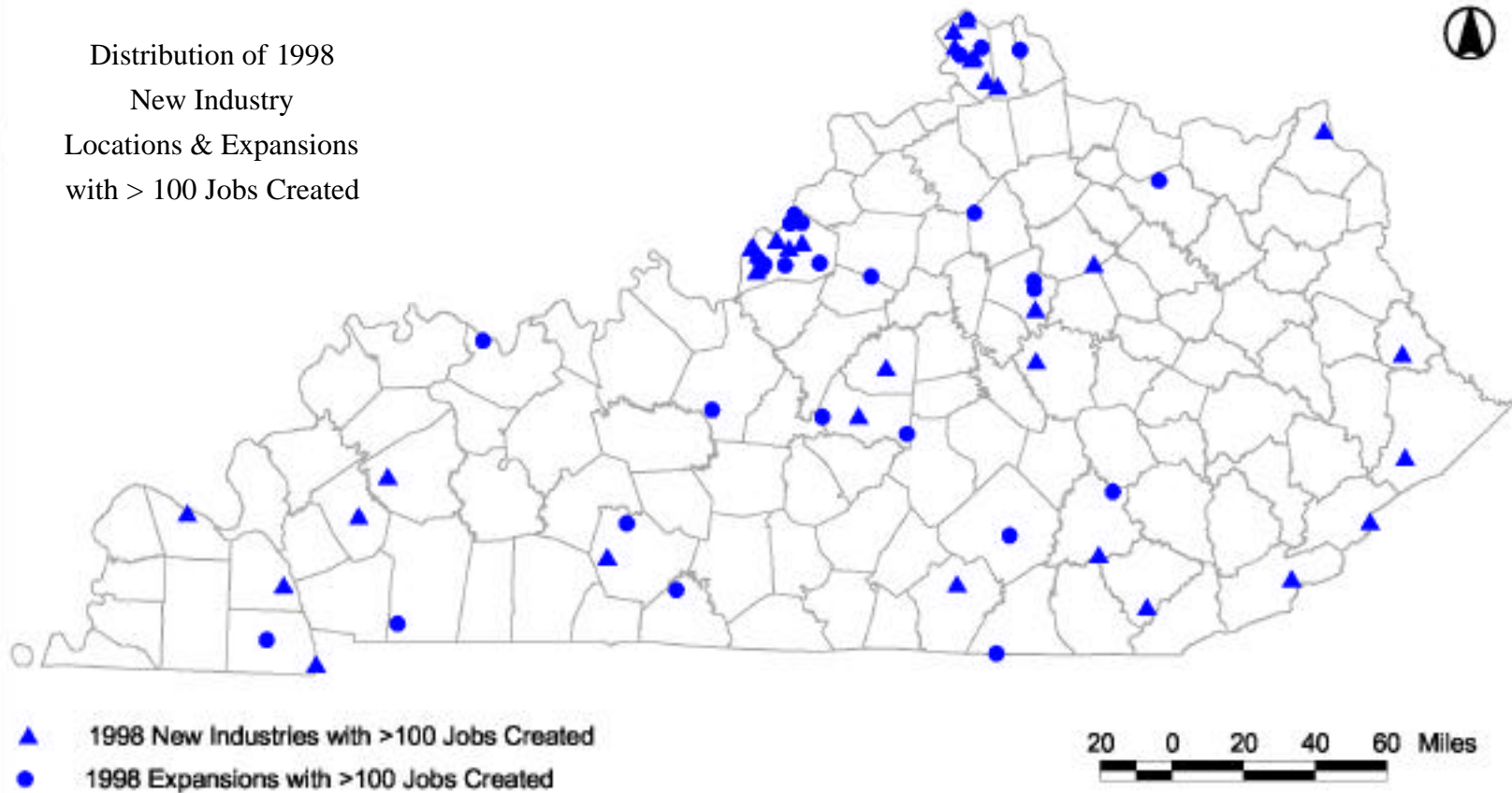
1998 New and Expanding Industries Representing  
100 or More New Jobs\*

Company	Product/Service	County/Area
<b>NEWMANUFACTURING FIRMS</b>		
American Commercial Windows	Windows, doors	Bourbon
American Woodmark Corp.	Wood processing	Wayne
C.H. Millery Mfg. Co.	T-shirts, caps, uniforms	Harlan
Carhartt Inc.	Clothing	Hopkins
Fleetwood Homes	Manufactured housing	Marshall
Fontaine Trailer Co.	Steel flatbed trailers	Caldwell
GE Capital Information Tech. Solutions	Configuration center	Northern Ky.
L.J. Miller Co.	Hardwood office furniture	Pike
Midwest Stamping	Metal stamping	Washington
Montebello Packaging Inc.	Collapsible aluminum tubes	Marion
Owens Corning	Insulation material	Jefferson
Pacific Coast Feather	Feathers	Boone
Richmond Auto Parts Technology	Transmission gears	Madison
Stupp Brothers Bridge & Iron Co.	Steel girders for bridges	Warren
<b>EXPANDING MANUFACTURING FIRMS</b>		
Crumax Magnetics Inc.	Magnets	Hardin
Curtis-Maruyasa America Inc.	Tube fabricating	Marion
Douglas Autotech Corp.	Steering columns, shifters	Christian
Federal Mogul Friction Products	Brakes	Allen
Hayes Lemmerz Intl.	Wheels	Warren
Jakel Inc.	Small electric motors	Calloway
Katayama American Co.	Auto parts	Shelby
Ken Mar Tool	Metal fabrication	Marion
Lear Corp.	Auto seats	Jefferson
LeSportsac Inc.	Nylon bags	McCreary
Lexair	Valves, equipment	Fayette
Lincoln Hardwoods	Kiln dried lumber	Pulaski
Packaging Unlimited	Corrugated containers	Kenton
Redken Laboratories	Hair care products	Boone
Sachs Automotive	Struts	Boone
Toyo Seat	Auto seating components	Fleming
Vuteq Corp.	Auto glass	Scott
Ziniz Co.	Conveyors	Jefferson

Company	Product/Service	County/Area
<b>NEWSUPPORTIVE/SERVICE FIRMS</b>		
ATC Distribution Group	Auto parts distribution	Jefferson
Commercial Aircraft Services (CAS)	Maintenance hangar	Jefferson
Fascor	Training facility	Jefferson
Federal Bureau of Prisons	Prison facility	Martin
GAP	Distribution	Boone
GE Capital Information Tech. Solutions	Global headquarters, customer service center	Northern Kentucky
Gibson Greetings, Inc.	Headquarters, administrative services	Kenton
Image Entry	Data processing	Letcher
INS	Call center	Knox
Lester Telemarketing Inc.	Outbound call center	Greenup
Lynx Services	Customer service center	McCracken
Mesaba Aviation, Inc.	Maintenance operation for commuter jets	Boone
Pulmodose Pharmacy	Pharmaceuticals distribution	Calloway
Quality Communications	Telecommunications service center	Jefferson
Renaissance Bankcard	Call center	Laurel
Smart Mail	Mail processing	Boone
TeleQuest Teleservices	Inbound call center	Fayette
Thomson Corp.	Book distribution	Boone
Toyota Motor Sales	Auto parts distribution	Boone
Universal Coach Parts	Parts distribution for buses	Jefferson
Universal Coach Parts Inc.	Warehouse, distribution, corporate offices	Jefferson
<b>EXPANDING SUPPORTIVE/SERVICE FIRMS</b>		
Comair Inc.	Maintenance, training, office facility	Boone
DHL Airways Inc.	Airline hub, sort facility	Boone
Image Entry	Data processing	Laurel
Lexmark Intl. Inc.	Research & development	Fayette
Pegasus Satellite Television	Inbound call center	Jefferson
Providian Financial Corp.	Credit card operations center	Jefferson
Sykes Health Plan Service Bureau	Call center	Jefferson
Tricon Global Restaurants	Support center	Jefferson
UniDial Communications Inc.	Telecommunications services	Jefferson
Unifirst	Uniform distribution	Daviess
United Parcel Service	Automated sorting facility	Jefferson



Distribution of 1998  
New Industry  
Locations & Expansions  
with > 100 Jobs Created



# Tactic team reports

## Goal 1-Build and Maintain Consensus to Implement the Mission

### Strategy 1.1      Communicate the Economic Development Mission to the Citizens of the Commonwealth

**Tactic 1.1.1**      Maintain and market a current presentation package on Kentucky's economic development efforts to be used by local organizations and the Economic Development Cabinet

**Facilitator**      Pamela Trautner      **Leader**      Tom Harris

**Performance**      Annual      Number of presentations made  
**Measures**      Annual      Number of copies distributed  
M - August 1998      Updated presentation package

**Summary**      A video of economic development activities has been produced and sent to economic development offices around the state. The video will be used during speaking engagements by the local economic development leaders and Cabinet officials and will be offered to various clubs and community organizations throughout the state.

**Tactic 1.1.2**      Publish quarterly newsletter and create other media opportunities to inform the general public, business leaders and government officials about Kentucky's economic development progress

**Facilitator**      Pamela Trautner      **Leader**      Tom Harris

**Performance**      Annual      Number of calls to fax on demand system  
**Measures**      Annual      Results of questionnaire to newsletter recipients  
Annual      Number of newsletters distributed

**Summary**      The circulation of the Cabinet's quarterly newsletter has expanded from 6,000 to 10,000 with the addition of mailing lists from the Small and Minority Business Development Division and Kentucky Procurement Assistance Program. A fax on demand system provides informational fact sheets on doing business in Kentucky.

<b>Tactic 1.1.3</b>	Create systemized approach for Cabinet officials to conduct interviews with local, state and national news media to communicate Kentucky's economic development efforts		
<b>Facilitator</b>	Pamela Trautner	<b>Leader</b>	Tom Harris
<b>Performance</b>	Annual	Number of media outlets contacted	
<b>Measures</b>	Annual	Number of news releases issued	
	Annual	Number of interviews conducted	
<b>Summary</b>	Approximately 250 state, regional and national media outlets are routinely contacted through news releases issued by the Cabinet. All press releases will be posted on our new web site, including archived press releases from the past. Secretary Strong wrote an op ed letter that was published in the Lexington <i>Herald-Leader</i> .		

<b>Tactic 1.1.4</b>	Communicate economic development efforts to support existing industries		
<b>Facilitator</b>	Pamela Trautner	<b>Leader</b>	Tom Harris
<b>Performance</b>	Annual	Number of ads placed regarding existing industries	
<b>Measures</b>	Annual	Distribution of video	
	Annual	Number of news releases issued	
<b>Summary</b>	The economic development efforts and expansions of existing industries continue to be featured in the Cabinet newsletter. Existing industry expansions are communicated to the news media. The role of existing industry expansions is also featured in the Cabinet video.		

Strategy 1.2	Involve Business, Industry, Labor and Individual Kentuckians in Support and Implementation of the Economic Development Plan		
Tactic 1.2.1	Involve economic development groups and business leaders in the Cabinet’s economic development efforts, including the Strategic Plan		
Facilitator	Terri Wellman	Leader	Sandy Napper
Performance	Annual	Extent of formal communications and activities	
Measures	Annual	Level of involvement	
	Annual	Number of groups who agree to help	
Summary	The Cabinet is included in the planning of general and concurrent sessions for each Kentucky Industrial Development Council quarterly meeting and provides a 15-30 minute Cabinet update at each meeting. Cabinet staff serves as an active member of several Kentucky Chamber of Commerce Board committees, including the Public Policy Steering Committee, which looks at both long and short term legislative initiatives, and the Community and Economic Development Committee. Cabinet staff members are involved in numerous welfare reform efforts and the activities of the Commission on Human Services Collaboration, both currently underway by the Cabinet for Families and Children. The Cabinet is involved with the Renaissance Kentucky program, which is designed to encourage economic growth in downtown community areas.		
Tactic 1.2.2	Present an economic development progress report at the annual Labor/ Management Conference and other annual statewide conferences sponsored by agencies affected by the Strategic Plan including Natural Resources, Agriculture and Tourism		
Facilitator	Janet Williamson	Leader	Gary Moberly
Performance	Annual	Requests to participate in conferences	
Measures	Annual	Attendee response from Labor-Management Conference	
	Annual	Attendees at Labor-Management Conference	
Summary	The annual Labor-Management Conference was held September 15-17, 1998, at Kentucky Dam Village State Resort Park. Attendance was the largest to date with 920 registered participants. The theme of this year’s conference was “The World of Work is Changing.” Secretary Strong, Governor Patton and others presented an economic development progress report at the conference.		

Tactic 1.2.3	Recognize the efforts of tactic team leaders and members and others involved in economic development efforts in Kentucky		
Facilitator	René True	Leader	Darrell Gilliam
Performance Measures	Annual	Number of recognition efforts	
Summary	The Governor’s Economic Development Leadership Summit recognizes outstanding leadership efforts in economic development. Tactic team leaders were recognized in the 1997 Annual Report.		

### Strategy 1.3      Ensure Continuing Involvement of All State Government Agencies and the Kentucky Legislature

**Tactic 1.3.1**      Conduct an annual briefing for the Governor, other elected officials and Cabinet secretaries on the progress of the state's economic development efforts, including the Strategic Plan

**Facilitator**      Marvin E. (Gene) Strong, Jr.      **Leader**      Marvin E. (Gene) Strong, Jr.

**Performance Measures**      Annual      Number of briefings

**Summary**      Presentations to the Governor and Cabinet Secretaries are conducted at Cabinet Secretary's staff meetings as the need arises. Strategic Plan progress is communicated at the staff meetings.

**Tactic 1.3.2**      Meet with each Cabinet and relevant state agencies to develop specific actions to support the state's economic development efforts, including the Strategic Plan

**Facilitator**      René True      **Leader**      Marvin E. (Gene) Strong, Jr.

**Performance Measures**      Annual      Number of agencies involved

**Summary**      Several Cabinets and state agencies are involved with economic development efforts or implementation of the Strategic Plan. The Natural Resources & Environmental Protection Cabinet, Department of Agriculture, Education, Arts & Humanities Cabinet, and the Tourism Development Cabinet are all involved with a strategy in Goal 5. The Workforce Development Cabinet, Revenue Cabinet, and Finance & Administration Cabinet participate on one or more tactics.

**Tactic 1.3.3**      Report annually to the Interim Joint Committee on Economic Development

Facilitator	Marvin E. (Gene) Strong, Jr.	Leader	Gene Fuqua
Performance Measures	Annual	Committee response	
Summary	The Interim Joint Committee on Economic Development requests a presentation from the Cabinet for Economic Development at least annually, where Strategic Plan progress is communicated.		

## Goal 2 - Reduce Unemployment and Increase Per Capita Income

### Strategy 2.1 Pursue Existing and New Business Development

#### Tactic 2.1.1 Review and improve as necessary existing incentive programs

<b>Facilitator</b>	Gordon Duke	<b>Leader</b>	Gordon Duke
<b>Performance Measures</b>	Fall 1998	Conduct review of current statutes, regulations and administrative procedures to determine whether improvements are needed	
	Fall 1999	Draft appropriate statutory, regulatory or administrative documents to affect improvements if necessary	
<b>Summary</b>	The team met to review changes made to incentive programs in the 1998 General Assembly and will continue to meet to prepare recommendations for the 2000 General Assembly.		

#### Tactic 2.1.2 Increase access to industry specific worker training and skills upgrade

Facilitator	Ken Carroll	Leader	Tom Kelly
Performance	Annual	Business and industry response to expanded access to training	
Measures	Annual	Increase in training by new, expanding and existing industries	
	M-Spring 1998	Favorable action by General Assembly	
Summary	Bluegrass State Skills Corporation (BSSC) is in the process of developing an electronic training and employment services directory. BSSC is developing a new web site that allows for electronic commerce. The Skills Training Investment Credit Act passed during the 1998 General Assembly.		

**Tactic 2.1.3** Monitor state recruiting and establish a formal state marketing plan

<b>Facilitator</b>	Pamela Trautner	<b>Leader</b>	Dan Tobergte
<b>Performance</b>	Annual	Implementation of new marketing strategies	
<b>Measures</b>	Annual	Usage of the Target Industry Analysis in marketing/advertising efforts	
	M-Fall 1997	Plan revision based on current efforts	

**Summary** The Kentucky Marketing Oversight Committee (KMOC) meets quarterly to review the Cabinet's marketing activities and to make suggestions/recommendations on new initiatives. The Target Industry Analysis is used to determine the majority of the Cabinet's marketing activities and advertising placement, resulting in more industry-specific ads in industry publications. The direct mail campaign schedule for 1998-1999 has been developed and sent out. The Cabinet began a more aggressive lead follow-up program, hiring a project manager to focus on actively following up with prospects through telephone and mail contact.

**Tactic 2.1.4** Develop a fully automated state industrial site and buildings database using GIS

Facilitator	Brenda Workman	Leader	Susan Lambert
Performance	Annual	Number of times used to support recruiting or expansion	
Measures	Annual	Number of sites included in inventory	
Summary	Cabinet’s budget for 1998-2000 includes funding for a Geographic Information System (GIS) needs assessment, hardware, software and staff support, and \$40,000 in grant funds were awarded. Hired a Director of the Site Evaluation Division with responsibility for developing the Kentucky Economic Development Information System using GIS. Hired Plan Graphics as the GIS consulting vendor to help develop the System. Hired a GIS Geo Processor Principal. Installed GIS equipment: server, workstation, software. Established a Cabinet test work group to begin developing the database.		
Tactic 2.1.5	Emphasize the advantages of rural Kentucky in recruiting		
Facilitator	Drew Dennis	Leader	Darrell Gilliam
Performance	Annual	Amount of marketing efforts emphasizing rural Kentucky	
Measures	Annual	Amount of new and expanding industry in rural areas	
Summary	The team implemented numerous suggestions regarding a “rural theme” in various marketing activities including: advertising, trade shows, recruiting trips and direct mail efforts.		
Strategy 2.2	Promote Entrepreneurial Activities		
Tactic 2.2.1	Fund and implement the Commonwealth Venture Fund		
Facilitator	David Bratcher	Leader	Jerry Rickett
Performance	M-April 1998	Favorable action by Legislature	
Measures	M-Fall 1998	Establish fund administrative structure	
Summary	The Kentucky Investment Fund Act passed the 1998 General Assembly. Staff is now engaged in the implementation of the new venture fund program.		

<b>Tactic 2.2.2</b>	Include entrepreneurial assistance in training programs for economic developers		
<b>Facilitator</b>	Melissa Wheeler-Scott	<b>Leader</b>	Wayne Foster
<b>Performance</b>	Annual	Training as part of KIED	
<b>Measures</b>	Spring 1999	Annual one-day statewide “Entrepreneurship and Small Business Development Training Program for Economic Development Professionals”	
<b>Summary</b>	The Tactic Team met periodically throughout the year and plans to have a seminar by Spring 1999. Contacting potential speakers for seminar presentation.		
<b>Tactic 2.2.3</b>	Identify ways to assist entrepreneurs		
<b>Facilitator</b>	Theresa Damron	<b>Leader</b>	Jane Dirr
<b>Performance</b>	Annual	Identify and address any gaps in assistance	
<b>Measures</b>	Annual	Keeping information current	
<b>Summary</b>	The final recommendations of the tactic team are: 1) Develop a database of programs available that assist entrepreneurs and find a way to keep the database current, easily available and user friendly; 2) Encourage the development of a “Career Awareness Program” at the high school level and encourage schools to promote interaction with entrepreneur-type businesses through work/study programs designed to introduce students to all facets of a business; tours of business operations in varied industries; seminars by business owners at schools; and open discussion forums between students, guidance counselors and business owners; and 3) Draft legislation to require Economics be part of the high school curriculum.		

Strategy 2.3	Encourage the Establishment of Business Networks		
Tactic 2.3.1	Seek funding for Kentucky First Program		
Facilitator	Jim Kurz	Leader	Larry Shindeldecker
Performance	Annual	Number of matches made between purchasers and suppliers, and dollar amounts of matches	
Measures	Annual	Number of training events conducted, and number of attendees	
	Annual	Number of purchasers and suppliers assisted, total and by categories	
	Annual	Number of counseling sessions, total and by category of participants	
Summary	Many Kentucky firms are discovering that goods and services traditionally purchased long-distance can be found right here in the Commonwealth. Consequently, the tactic team proposed a Kentucky First program to help Kentucky firms make this networking connection to keep more business in Kentucky.		
Tactic 2.3.2	Identify industry sectors which are appropriate for networks and establish networks		
Facilitator	Rodney Brown	Leader	Rodney Henson
Performance	Annual	Business evaluation of network effectiveness	
Measures	Annual	Level of activity within the networks	
	Annual	Number of firms per network	
	Annual	Number of networks established	
Summary	Four major initiatives have been undertaken and/or supported by the Cabinet Network Staff including: 1) Kentucky Auto/Truck Industry Council - Activities include holding the first annual trade expo in Louisville, creating a capabilities database, incorporating as a non-profit organization, holding several meetings for members, providing benchmarking for members and hiring an Executive Director for Member Services to assist member companies with the formation of networks and alliances; 2) Kentucky Wood Alliance - This alliance of 16 wood industry companies in Kentucky was formed this year to bid on a prime vendor contract for the State of Kentucky. Several members of this alliance have transacted business including a contract for approximately \$2.7 million; 3) United Sourcing Alliance, LLC - This Louisville-based company is a joint venture between Value Systems of North Carolina and Unistar, a Louisville-based company, and it will provide statewide cost reduction opportunities for Kentucky companies; and 4) Advanced Alliance Assistance - The Network Grant Review Committee approved the expansion of services offered by the Cabinet's Network Initiative to include an alliance building guide, an alliance web site and an advanced program for the creation of alliances.		

## Goal 3-Create a Globally Competitive Business Environment

**Strategy 3.1** Pursue the Infrastructure Necessary for Kentucky Communities and Businesses to be Competitive in the World Economy

**Tactic 3.1.1** Develop and maintain the electronic infrastructure necessary to implement an effective information strategy

**Facilitator** René True      **Leader** Doug Robinson

**Performance Measures** M-June 1996      Infrastructure established

**Summary** The infrastructure for the Kentucky Information Highway (KIH), along with an agreement between 20 local telephone companies and LCI International is completed. Kentucky now enjoys an information highway with connections to all courthouses, school districts, colleges and universities.

**Tactic 3.1.2** Complete an annual priority listing of proposed transportation improvement projects

**Facilitator** Drew Dennis      **Leader**

**Performance Measures** F-July 1998      Priority list completed

**Summary** This tactic is to be revised or deleted.

**Tactic 3.1.3** Create and propose a set of funding guidelines and priorities for use by state agencies in allocating resources for public utility construction important to the economic development of the Commonwealth

**Facilitator** David Bratcher      **Leader**

**Performance Measures** F-July 1998      Create priority funding list  
F-July 1998      Develop funding guidelines

**Summary** Other state agencies including the Kentucky Infrastructure Authority and the Division of Water are establishing priorities for public infrastructure projects in the state.

**Tactic 3.1.4** Establish an effective and formal system for coordination of efforts with the state's private for profit utility providers to improve the economic development of the Commonwealth

**Facilitator** Dick Cirre **Leader**

**Performance Measures** Annual Report success of utility network

**Summary** Deregulation of the national and state electric utility industry is expected to impact the provision and cost of electrical power in Kentucky. HJR 95 created an Electricity Restructuring Task Force to study electricity restructuring in Kentucky, with intentions of producing a report by 11/15/99.

**Strategy 3.2** Increase Kentuckians' Awareness of the Importance of the International Economy and Provide Knowledge on How To Participate

**Tactic 3.2.1** Develop, plan and offer informational opportunities to Kentuckians on issues related to the international economy

**Facilitator** Peggy Pauley **Leader** Campbell Barnum

**Performance Measures** F-Fall 1998 Presentation to legislators  
F-Fall 1998 Presentation to state agencies  
F-Summer 1998 Develop presentation on international awareness

**Summary** Six ideas were developed to increase Kentuckians' awareness of the international economy. The ideas are: 1) Develop school curriculum to support international awareness; 2) Educate legislators as to the importance of the international economy; 3) Increase awareness of available international resources; 4) Increase the multipliers around the state; 5) Develop non-traditional marketing activities such as web sites and electronic catalogs; and 6) Increase foreign language skills earlier in schools. The team developed four action plans to implement the ideas.

**Tactic 3.2.2** Work with the Department of Education and the Council on Postsecondary Education to make economic development lesson plans and classes a part of the state's educational curricula

**Facilitator** Jim Kurz **Leader** Joanne Lange

**Performance Measures** Annual Number of primary, secondary and post-secondary schools using curricula  
F-July 1998 Develop curricula

**Summary** Recommendations were made, but funding not approved.

**Tactic 3.2.3** Use economic development professionals to educate students, business and civic leaders and government officials on economic development and global issues

**Facilitator** Jim Kurz      **Leader** Louis Adams-Rogers

**Performance Measures** Annual      Number of programs related to ED in the schools

**Summary** Recommendations were made, but funding not approved.

### Strategy 3.3      Develop Legislative Initiatives and Policy Changes Reflective of a Positive Business Attitude

**Tactic 3.3.1** Implement procedures and actions that result in the Cabinet for Economic Development working closely with all agencies that develop regulatory policies that effect Kentucky's globally competitive position

**Facilitator** Joe Brown      **Leader** Valerie Hudson

**Performance Measures** Annual      Implementation of recommendations  
F-January 1998      Recommendations for coordinating regulatory policies

**Summary** The team decided that implementing procedures and actions that affect regulatory policies and create a more competitive position for Kentucky in the global marketplace is better served by the Empower Kentucky program.

**Tactic 3.3.2** Formulate policies and practices that enhance the Commonwealth's international business potential by studying and analyzing political and economic conditions to ensure an accurate knowledge of Kentucky's global competition

**Facilitator** Tom Bailey      **Leader** Holly Groshek

**Performance Measures** Spring 1999      Recommendations for tactics, laws, or programs to enhance global competitiveness

**Summary** A survey of non-exporting manufacturing firms will be conducted in January; report and recommendations will follow.

<b>Tactic 3.3.3</b>	Develop a process to evaluate the adequacy of the state's current governmental policy to help Kentucky to be globally competitive	
<b>Facilitator</b>	René True	<b>Leader</b>
<b>Performance Measures</b>		
<b>Summary</b>	Combined with tactic team 3.3.2.	

#### Strategy 3.4 Provide Assistance to Kentucky Companies in Assuming a Greater Role in the World Economy

<b>Tactic 3.4.1</b>	Implement strategies to increase the export of Kentucky products and services, and encourage and support industry based consortia for export development	
<b>Facilitator</b>	Mary Beth Cordy	<b>Leader</b> Margaret Graves
<b>Performance Measures</b>	Annual Annual M-Fall 1998	Number of export consortia formed Implement strategies to increase exports Develop strategies to increase exports
<b>Summary</b>	Three industries of focus are secondary wood, environmental technologies and food and kindred products. International Trade Division staff presented a plan to assist each of these industries upon entering a targeted market. Staff is implementing approved plans.	
<b>Tactic 3.4.2</b>	Develop strategies to transfer technology to Kentucky businesses	
<b>Facilitator</b>	Bill Morris	<b>Leader</b>
<b>Performance Measures</b>	Annual F-Fall 1998	Number of companies involved in program Strategies developed
<b>Summary</b>	The Science and Technology Project Team is currently developing a statewide technology plan under the leadership of the Kentucky Science and Technology Council. The team recommends using the Project Team findings as the end product for tactic 3.4.2.	

## Goal 4-Manage Resources to Maximize Return on Investment

### Strategy 4.1 Create an Effective Statewide Economic Development Organization Structure

**Tactic 4.1.1** Prepare a detailed analysis of the existing economic development organizational structure and service delivery system

**Facilitator** Terri Wellman **Leader** Darrell Gilliam

**Performance Measures** January 1999 Complete inventory and profile

**Summary** The Cabinet is represented on a committee reviewing economic development service delivery systems with the Kentucky Chamber of Commerce.

**Tactic 4.1.2** Create a model of Kentucky's "ideal" economic development service delivery system

**Facilitator** Terri Wellman **Leader** Darrell Gilliam

**Performance Measures** Fall 1999 Create model

**Summary** See tactic 4.1.1 report.

**Tactic 4.1.3** Compare the current structure with the "ideal" model and its criteria and standards. Based on this comparison, develop and implement a more efficient and effective organizational structure

**Facilitator** Terri Wellman **Leader** Darrell Gilliam

**Performance Measures** Fall 1999 Support for new organizational structure

**Summary** See tactic 4.1.1 report.

<b>Tactic 4.1.4</b>	Establish programs which encourage and reward regional cooperation in economic development		
<b>Facilitator</b>	Kim Logsdon	<b>Leader</b>	Sim Davenport
<b>Performance</b>	Annual	Movement within economic development community toward regional organizations and cooperation	
<b>Measures</b>	Annual	Extent to which economic development programs encourage and reward regional cooperation	
<b>Summary</b>	Developed draft outline of suggested actions for communities to use to enhance regional cooperation. Tactic team will review and suggest improvements to outline before distributing to communities. Three Regional Industrial Parks were funded in 1998, with two others approved for preliminary engineering work.		

## Strategy 4.2 Develop Leadership and Leadership Vision, Capacity and Tools, Particularly at the Community Level

<b>Tactic 4.2.1</b>	Establish and implement an effective economic development leadership development program which improves the depth and quality of the leadership base at the local and regional levels, and which focuses community preparedness efforts on the development of local leadership.		
<b>Facilitator</b>	Janet Williamson	<b>Leader</b>	Darrell Gilliam
<b>Performance</b>	Annual	Evaluation of program effectiveness by community and business leaders	
<b>Measures</b>	Annual	Continue annual Governor's Economic Development Leadership Summit	
	Annual	Participation in training programs	
	Annual	Number of training programs offered	
<b>Summary</b>	The 1998 Governor's Leadership Conference was held in conjunction with KIDC's Annual Meeting November 4-6, 1998, in Bowling Green. The conference featured the Third Annual Governor's Economic Development Leadership Awards Presentations and Dinner, which included recognition of 41 Centennial Businesses, Founders Awards winners, Gray Award winners, and five people receiving the Governor's Economic Development Leadership Award.		

**Tactic 4.2.2** Assist and encourage all communities to prepare a comprehensive development plan and related economic development strategy

**Facilitator** Tim Back      **Leader** Darrell Gilliam

**Performance** Annual      Feedback from communities on effectiveness of comprehensive development plan assistance  
**Measures** Annual      Number of comprehensive community plans which fit with regional and state plans

**Summary** A draft revision to the team's Community Planning & Development Handbook was completed. It is currently being circulated for review and comment, with final review and comments due by March 1999.

**Tactic 4.2.3** KEEP - sponsor training seminars in existing business support for economic developers and local leaders

**Facilitator** Patti Kirk      **Leader** Joe Mefford

**Performance** Annual      Business evaluation of economic development support for existing businesses  
**Measures** Annual      Number of attendees  
Annual      Number of seminars

**Summary** The KEEP Program is an ongoing partnership between BellSouth, UK and the Cabinet for Economic Development. Program refinements include implementing follow-up and evaluation procedures for working with communities following a local KEEP Program. KEEP was recently highlighted in the quarterly newsletter of the Business Retention and Expansion International Society as a model program. New KEEP programs include Winchester/Clark County and possibly Hart County, which received an initial presentation.

**Strategy 4.3** Make the Economic Development Cabinet's Programs and Activities Effective and Accessible

**Tactic 4.3.1** Develop an evaluation process for current economic development programs, and tactic teams using Cabinet staff.

**Facilitator** René True      **Leader** Ernest Yanarella

**Performance** Annual      Changes which result from evaluation  
**Measures** Annual      Number of programs evaluated

**Summary** Draft Bluegrass State Skills Corporation program evaluation completed. Future program evaluations to be contracted.

**Tactic 4.3.2**      Assure that available information on each community is up-to-date and reliable, resulting in a strengthening of the relationship between the Cabinet and communities

**Facilitator**      Becke McGaughey **Leader**      Lisa Mills

**Performance Measures**      M-December 1998 Implement changes to community brochures

**Summary**      The Cabinet has implemented recommendations of the team into their community brochure publications. Community brochures updated annually rather than every two years.

**Tactic 4.3.3**      Identify, or create, and make available on-line appropriate economic development related databases of direct and immediate value to economic development professionals, community leaders and businesses.

**Facilitator**      René True      **Leader**      Joe Mefford

**Performance Measures**      Annual      Evaluation of current web site  
 Annual      Evaluation of web site's effectiveness  
 Annual      Number of hits to web site  
 F-March 1999      Redesign of web site completed

**Summary**      Cabinet's new web site is under construction with new graphics, updated and new information and a navigation system developed from the point of view of the Cabinet's customers.

#### Strategy 4.4      **Develop a Coherent and Integrated Workforce Training Delivery System**

**Tactic 4.4.1**      Evaluate training activities funded by or designed to serve economic development by creating a working level task force with broad authority.

**Facilitator**      Ken Carroll      **Leader**      Allen Rose

**Performance Measures**      Annual      Number of requests for employee screening and testing  
 Annual      Business response to new training organization  
 Annual      Perceived value of screening and testing by business clients

**Summary**      The task force membership will be the new board of directors implementing the Workforce Investment Act.

**Tactic 4.4.2** Create a state-level training information and services clearinghouse.

**Facilitator** Glenna Glass      **Leader** Steve Allen

**Performance** Annual      Customer evaluation of clearinghouse

**Measures** Annual      Number of responses by clearinghouse

**Summary** This tactic is being driven by the Cabinet for Workforce Development and the Simplified Access process, which is a vital portion of Governor Patton's Empower Kentucky initiative. Five major components of Simplified Access that have been implemented: 1) Resource Directory; 2) Virtual Office and Telecommuting Project; 3) Employ Kentucky Network; 4) Data Warehouse Project; and 5) Commonwealth Access to Resources (CARE System). In addition to this effort, the Bluegrass State Skills Corporation Directory of Customized Training Providers is scheduled to be available via Internet February 1999.

#### Strategy 4.5      **Revise and Improve the Regulatory Processes**

**Tactic 4.5.1** Maintain a Regulatory Expediting Center within the Economic Development Cabinet that includes coordination of a Single Point of Contact Program

**Facilitator** Joe Brown      **Leader** Valerie Hudson

**Performance** Annual      Evaluate the effectiveness and quality of the Regulatory Expediting Center

**Measures** Annual      Number of agencies which establish single point of contact

**Summary** Empower Kentucky is addressing the issues of this tactic.

**Tactic 4.5.2** Have the Economic Development Cabinet work closely with the Natural Resources Cabinet in the development of environmental regulations which affect business

**Facilitator** Joe Brown      **Leader**

**Performance** Annual      Number of regulations developed cooperatively

**Measures**

**Summary** Tactic merged with tactic 3.3.1.

## Goal 5-Manage Kentucky's Natural Resources and Cultural Assets to Ensure Long-Term Productivity and Quality of Life

### Strategy 5.1 Promote Sustainable Management of Kentucky's Environmental Assets

**Tactic 5.1.1** Provide environmental asset and secondary wood industry training to economic development professionals

**Facilitator** Bill Morris **Leader** Steve Kull

**Performance** F-Fall 1998 Hold training sessions

**Measures** F-February 1998 Develop curricula

**Summary** Staff of the Department of Natural Resources presented the report and recommendations prepared on this tactic, but funding has not been secured.

**Tactic 5.1.2** Support the efforts of the Kentucky Forest Stewardship Act

**Facilitator** Bill Morris **Leader** Steve Kull

**Performance** M-Spring 1998 Favorable action by legislation

**Measures**

**Summary** The Kentucky Forest Conservation Act passed the 1998 General Assembly.

**Tactic 5.1.3** Promote incentives for development of the secondary wood industry

**Facilitator** Bill Morris **Leader** Mark Kaser

**Performance** Annual Number of secondary wood industry facilities expanding or locating in Kentucky

**Measures** F-Summer 1999 Develop strategies for promoting incentive programs

**Summary** A pilot project is being prepared to equip a selected community with the tools needed for the application/location/expansion process in the wood manufacturing industry, as a means of boosting a specific location's development potential and equipping the local economic development base with a valuable, marketable asset.

**Tactic 5.1.4** Support the efforts of the Department for Surface Mining Reclamation and Enforcement to promote development of post-mine land uses for long-term economic growth

**Facilitator** Bob Fouts      **Leader** Paul Hall

**Performance Measures** Annual      Amount of federal money obtained

**Summary** The tactic team set the goal of obtaining funds from the Abandoned Mined Land Funds for economic development purposes. The team focused on gathering information on the funds and uses in other states, preparing types of possible projects these funds could finance, and possible ways of administering the funds.

**Tactic 5.1.5** Promote development of business recruitment and tourism with a focus on minimizing harmful waste management practices

**Facilitator** Dick Cirre      **Leader**

**Performance Measures** Annual      Number of industry and tourism projects that minimize harmful waste management practices  
F-Winter 1998      Implement strategies to minimize harmful waste management practices  
F-Summer 1998      Develop strategies to minimize harmful waste management practices

**Summary** No recommendations to report.

**Strategy 5.2** Promote Expanded Opportunities for Value-Added Agri-Business, Enhanced Marketing Efforts and State Financing Programs

**Tactic 5.2.1** Monitor and support the efforts of the Ag Marketing Advisory Board and Ag 2000

**Facilitator** Smith Mitchell      **Leader**

**Performance Measures** Annual      Progress of the Ag Marketing Advisory board and Ag 2000

**Summary** The Cabinet is represented at Ag Marketing Advisory Board meetings, and activities are reported to Secretary Strong.

Tactic 5.2.2	Implement commodity marketing projects		
Facilitator	Don Goodin/David Bratcher	Leader	Jim Mansfield
Performance Measures	Annual	Number of commodity marketing projects implemented	
Summary	Cabinet for Economic Development and Department of Agriculture staff worked with the Legislature to make changes to the Linked Deposit program. The loan amount increased to \$100,000 and interest rates will be equal to New York prime.		
Tactic 5.2.3	Promote incentive programs for value-added agri-business		
Facilitator	Don Goodin/David Bratcher	Leader	Todd Barlow
Performance Measures	Annual	Number of value-added agri-businesses expanding or locating in Kentucky	
Summary	See report for Tactic 5.2.2.		
Tactic 5.2.4	Evaluate and recommend financial assistance programs for agricultural producers		
Facilitator	Don Goodin/David Bratcher	Leader	Vertress Warner
Performance Measures	Annual	Number of agricultural producers receiving financial assistance	
Summary	See report for Tactic 5.2.2.		

**Strategy 5.3** Promote and Develop Kentucky's Cultural and Historical Assets as Tools for Economic and Tourism Development

**Tactic 5.3.1** Develop and implement a plan to maximize the use of state, federal and private funds for programs to increase the economic and tourism development impact of local and regional, cultural, historical and natural assets

**Facilitator** Brenda Rice      **Leader** Lou DeLuca

**Performance** F-Fall 1999      Completion of heritage/cultural development guide by the end of this year

**Measures** F-July 1998      Acceptance of the plan by Tourism Development, Economic Development and Education Arts & Humanities personnel

M-Fall 1997      Establishment of the Cultural and Heritage Tourism Committee

**Summary** A tactic implementation committee made up of Education, Arts & Humanities and Tourism Development Cabinet staff to implement tactic 5.3.1, will coordinate with the regional tourism planning work being done under Tactic 5.4.3. The committee proposed a plan to compile a sourcebook of technical assistance available to Kentucky regions or communities, listing all existing state, federal and private programs and fund sources available, which impact heritage, cultural, or tourism development. The tactic committee has planned a Cultural/Heritage Tourism Workshop for May '99. The projected date for the sourcebook is September 1999.

**Tactic 5.3.2** Emphasize cultural, historical and natural asset-quality of life in economic and tourism development marketing and publications

**Facilitator** Pamela Trautner      **Leader** Alan Fowler

**Performance** Annual      Level of increase in cultural and historical attractions attributable to marketing

**Measures** Annual      Amount of time and space devoted to cultural and natural assets in Economic Development marketing

**Summary** Tactic 5.3.2 has been incorporated into Tactic 2.1.3. The following marketing strategy and action steps are included in the revised state industrial marketing plan: 1) Encourage local economic development agencies to identify and inventory natural and cultural assets of their respective areas; 2) Include summaries of natural and cultural assets in each of the Cabinet's community brochures and other informational packets as deemed appropriate; and 3) Work with the Tourism Cabinet to establish a "Quality of Life" brochure for use with prospects.

**Tactic 5.3.3** Include cultural, heritage, and tourism leaders in economic development planning and leadership training; and provide incentives and technical assistance to communities for the inclusion of cultural/heritage/tourism planning in community development plans

**Facilitator** Craig Kelly      **Leader** David Morgan/Gerri Combs

<b>Performance</b>	Annual	Number of training sessions established
<b>Measures</b>	Annual	Number of community comprehensive development plans inclusive of cultural, heritage and tourism issues
	Annual	Number of communities involved in Renaissance Kentucky
<b>Summary</b>	<p>Tactic team decided on the following actions: 1) Add cultural/heritage/tourism representation to tactic teams: 4.2.1 &amp; 4.2.2.; 2) Add cultural/heritage/tourism issues to the Community Planning and Development Handbook distributed by the Cabinet; 3) Create a team of cultural, heritage and tourism leaders that could offer expertise on short notice to communities; 4) Add cultural, heritage and tourism issues in the curricula of economic development training offered by the Cabinet or Institute; 5) Include cultural, heritage and tourism leaders in economic development training; and 6) Establish a separate training course, offered by cultural, heritage and tourism leaders, for economic development professionals and community leaders.</p>	
<b>Tactic 5.3.4</b>	Expand local, regional, national and international markets for Kentucky crafts, cultural, historical and agricultural products, including a strong emphasis on these products in state facilities	
<b>Facilitator</b>	Sara Bell	<b>Leader</b> Fran Redmon
<b>Performance</b>	Annual	Craft producer evaluation of marketing efforts
<b>Measures</b>	Annual	Export of Kentucky crafts
	Annual	Total sales of Kentucky crafts
	Annual	Number of outlets selling Kentucky crafts
	F-Fall 1998	Develop catalog of Kentucky produced crafts and products
<b>Summary</b>	During 1998, work started on the Artisans Center in Berea, the Hindman Craft Education Project, and on the Hwy. 23 Corridor Projects. The upgrading of the state parks' gift shops is completed.	

Strategy 5.4	Promote and Develop the Tourism Industry		
Tactic 5.4.1	Implement the master plan for tourism development, which ties it to the overall economic development strategy		
Facilitator	Jane Sullivan	Leader	Ann Latta
Performance Measures	Annual	Evaluation of plan by tourism and related industries	
Summary	The Tourism Development Cabinet now publishes County Profiles of Tourism Industry Resources. These profiles will enable potential entrepreneurs in the tourism industry to assess each county’s tourism environment. The Tourism Development Cabinet continues to implement the Tourism Development Master Plan.		
Tactic 5.4.2	Actively seek tourism projects with significant economic impact		
Facilitator	Tom Hoehner	Leader	David Lovelace
Performance Act	Annual	Number of tourism projects applying for and receiving sales tax credit under Kentucky Tourism Development Act	
Measures	Annual	Changes in Economic Development program to support tourism	
Summary	Promotional efforts center around the Kentucky Tourism Development Act (KTDA), which provides a state sales tax incentive to eligible new or expanding tourism attractions. In 1998 the Millennium Monument Company in Newport received preliminary approval for KTDAincentives. Also, in 1998 the Newport on the Levee LLC in Newport and the Kentucky Speedway LLC in Gallatin received final approval for KTDA incentives. HB 397 enacted during the 1998 General Assembly made modifications to KTDA.		
Tactic 5.4.3	Develop and implement regional tourism development plans		
Facilitator	Melissa Wheeler-Scott	Leader	Debbie Giannini
Performance Measures	M-Fall 1997	Develop regional plans	
Summary	Tourism regional development plans for nine regions covering the state are final and have been submitted to each region for implementation.		

## Tactic Team Leaders

**Lois Adams-Rogers**  
Department of Education

**Steve Allen**  
Empower Kentucky

**Todd Barlow**  
Corn Growers Association

**Campbell Barnum**  
D.D. Williamson Company

**Gerri Combs**  
Education, Arts and Humanities  
Cabinet

**Sim Davenport**  
BellSouth

**Lou DeLuca**  
Education, Arts, and Humanities  
Cabinet

**Jane Dirr**  
Specialty Film and Associates Inc.

**Wayne Foster**  
Commonwealth Research, Inc.

**Alan Fowler**  
James N. Gray Company

**Gene Fuqua**  
Cabinet for Economic Development

**Debbie Giannini**  
Tourism Development Cabinet

**Darrell Gilliam**  
Capital Community  
Economic-Industrial Development

Authority

**Margaret Graves**  
Bluegrass Conservancy

**Bob Green**  
Workforce Development Cabinet

**Holly Groshek**  
Kentucky World Trade Center

**Paul Hall**  
Kentucky River Area  
Development District

**Tom Harris**  
Toyota Motor Manufacturing,  
Kentucky, Inc.

**Rodney Henson**  
Sachs Automotive of America

**Valerie Hudson**  
Gallatin Steel Company

**Mark Kaser**  
Kentucky Wood Products  
Competitiveness Corporation

**Tom Kelly**  
Publishers Printing

**Steve Kull**  
Cabinet for Natural Resources  
and Environmental Protection

**Susan Lambert**  
Office of Geographic  
Information Systems

**Joanne Lange**  
Department of Education

**Ann Latta**  
Tourism Development Cabinet

**David Lovelace**  
Tourism Development Cabinet

**Jim Mansfield**  
Department of Agriculture

**Joe Mefford**  
BellSouth

**Lisa Mills**  
Greater Louisville, Inc.

**Gary Moberly**  
Labor Cabinet

**David Morgan**  
Kentucky Heritage Council

**Sandy Napper**  
Kentucky Industrial Development  
Council

**Fran Redmon**  
Education, Arts and  
Humanities Cabinet

**Jerry Rickett**  
Kentucky Highlands  
Investment Corporation

**Doug Robinson**  
Kentucky Information  
Resource Management

**Allen Rose**  
Workforce Development Cabinet

**Larry Shindeldecker**

Clarion Corporation

**Linda Stacy**  
Cabinet for Natural Resources  
and Environmental Protection

**Marvin E. (Gene) Strong, Jr.**  
Cabinet for Economic Development

**Dan Tobergte**  
Tri-County Economic  
Development Corporation

**Vertress Warner**  
Kentucky Agricultural Finance  
Corporation

**Ernest Yanarella**  
University of Kentucky



2400 Capital Plaza Tower, 500 Mero Street, Frankfort, KY40601, 502 • 564 • 7670 [www.thinkkentucky.com](http://www.thinkkentucky.com)